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## Good to Great: A Path to Globalization for Your Company through Good Leadership

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Thunderbird ([www.t-bird.edu](http://www.t-bird.edu)) is a distinguished school for international business education. It is consistently ranked in the top five international schools around the world. It holds executive education programs covering the latest global trends, global expansion strategies and a look to the future for international markets. I went in search of all of the above information as I recently attended Thunderbird's Executive Education program called *Globalization: Merging Strategy with Action*. As a result, this article will highlight the latest global strategies, leadership qualities and practices and attributes of companies that have gone from good to great in global expansion — with an emphasis on real-world practicality.

### Clear global strategy

This topic resonates across most aspects of building a successful high-technology company. International trade is no different. As we looked at many companies traversing a wide range of industries, the constant pillar of success in foreign markets was a clearly defined global strategy.

Contained within this wide-ranging subject are a few high points that make mastery possible. A country or regional strategy that is successful typically has these characteristics:

- A plan that creates value or profit
- Executive management buy-in
- A solid understanding of the culture and market through strong representation or partnership in the country
- Competitive price point to gain market share (most foreign buyers are harder than their U.S. counterparts on price pressure)
- Low in-country and transfer costs
- Successful branding and marketing strategy

### Aggressive leadership

Throughout the week-long class and in a multitude of case studies, there was one theme that was like a giant spotlight: **STRONG LEADERSHIP**. Every company that we analyzed and studied had a strong leader behind it. In some cases the leader wasn't always popular among the employees, but he or she always managed to streamline efficiencies, cut costs and increase profitability. These common strategic objectives, when mixed with a global expansion strategy, require the leader to

be very concise and direct or even loud about how exactly this feat is going to be accomplished.

A good read on becoming a great company is the very popular *Good to Great: Why Some Companies Make the Leap...and Others Don't*, by Jim Collins.

Breaking away from the stale strategies, using creativity, strong managers, realization of synergies and a clear vision constituted a successful global expansion in all of the success stories we covered.

### **Give-and-take country management**

Most companies with various departments or locations fall into a natural way of doing things and believing that they are right. For instance, people in engineering and sales often experience friction as they tend to have different agendas, different success measures and usually different kinds of brains.

Likewise in international business, a country manager, a distributor, and an international business development person will have certain preferences and ideas about how things should be done. That is what they are paid to do — *make necessary adjustments and strategy changes to maximize the sales potential in a given country or region.*

### **The rub**

The rub comes when “corporate” or headquarters or insert home-city-name-here has an overall company strategy, vision and marketing plan. Conversely, those serving a given country know what works and what does not.

A great leader will be one who can balance the two and get the most creativity, fresh ideas and strategic approaches from each power base.

Often, American businesses make colossal mistakes by thinking that what works here, should work there. In other words, marketing is a touchy game. Slang, humor, colors, cultures all play a part in a successful or unsuccessful marketing scheme. Each international market will be different from the U.S. market and from other foreign markets.

### **The key is to listen to your channel!**

If you are introducing a new value-added service that will accompany your current suite of products or services and you have tested in the domestic market, then you should run those same tests in your foreign markets. If the feedback you receive is good in one place and poor in another, take feedback from both into consideration and adjust accordingly.

Do not bypass your foreign customers. Let's face it, America is the largest market on the planet for you. International sales in most small to medium-sized companies make up a smaller portion of overall revenue, but it is not grounds to ignore what is happening. Take information from your channel partners, customers and others and use it to create a successful global strategy.

*A good manager or leader will look at globalization and create a managerial structure that fosters creativity within the overarching plan, strategy and objectives of the company*

### **Good partnering**

As I am sure many of you have experienced, picking the right strategic partners — be it mergers, acquisitions, JVs, distributors, VARs, agents or systems integrators — is a hit-or-miss game. The hits are wonderful and you prosper both at home and abroad. The misses can be disaster, potentially more so abroad.

The legal systems in other countries vary greatly from our own. Repercussions can and do run deeper abroad. I recently was helping a small Oregon software company solve a distributor problem in a Western European country. The distribution relationship went bad with unpaid bills, illegal sales and misrepresentation. Most companies are hit hard financially when trying to dispute legal issues. Luckily, in this case, a little friendly pressure from the American Embassy resulted in an amicable solution, but a dissolved partnership.

My point here is to show that restructuring your global partnerships can be time-consuming, costly and a serious drain on company resources. Our organization can and does help in this area, but often we too are powerless in trade disputes.

Always perform due diligence on your partner. Here are two Web sites that offer such a service:

- The Commercial Service – International Company Profile  
[http://www.export.gov/comm\\_svc/intl\\_co\\_profile.html](http://www.export.gov/comm_svc/intl_co_profile.html)
- Dunn & Bradstreet  
<http://www.dnb.com/>

### **Wrap-up**

Because of the rapid economic growth and opportunities abroad, globalization has changed from a luxury for the blue-chippers to a necessity for the mom-and-pop shop. Thankfully, the process is fully scalable. Instill diligence about your strategic decisions, be a strong leader, and use those assets around you both internally and externally to help you win the game. For globalization assistance, check out some of the resources right here at <http://www.buyusa.gov/oregon>.

**Brad A. Anderson** has been an international trade specialist with the U.S. & Foreign Commercial Service (part of the U.S. Department of Commerce) for more than nine years. In this capacity he works with Oregon and Southwest Washington high-technology companies to develop export markets. Specifically, he helps them design market-entry strategies; find and evaluate distributors, VARs, or agents; evaluate product or service delivery methods; and “internationalize” their companies. Before taking his current position, Brad served in temporary assignments as a commercial

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